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# The Pentagon's 'black' programs: A vast industry conducted in secret

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LOS ANGELES — A Soviet observation satellite flies over Los Angeles each day to check out operations at any of a half-dozen industrial plants involved in military projects that are the Pentagon's most highly classified.

"Every day they count the cars in my parking lot," said Ben Rich, a Lockheed Corp. executive who has presided over the production of whole fleets of secret aircraft.

So, how many cars does Rich have in his parking lot?

"I can't tell you that. It's secret," he replied.

But the Soviets already should know that Lockheed has as many as 10,000 workers building a new fleet of aircraft that utilize radar-evasive Stealth technology.

Across town, TRW Inc. has 17,000 workers largely building secret spy satellites such as the one sent up in the space shuttle early this year, according to industry sources.

Fifty miles to the north, in Palm-dale, an imposing iron structure is rising off the Mojave Desert that apparently will be the final assembly center of the advanced-technology bomber, another secret program.

These facilities and similar ones throughout the nation are part of an industrial network, almost a separate economy, that serves a rapidly expanding agenda of secret Defense Department programs.

While almost every weapon involves some classified information — the range of a torpedo, for instance — many of these programs are so highly classified that their very existence is not acknowledged. Even in the case of the stealth bomber, which has been officially disclosed, its costs, quantities and production timetable are top secret.

This so-called black world of military programs has become a nearly \$30 billion industry, based largely in California, that encompasses tens of thousands of employees working under Pentagon clearances and beyond public scrutiny.

Funding for secret Pentagon procurement and research has increased sixfold between 1980, the last year of the Carter administration, and the Reagan administration budget for fiscal 1986, which begins Oct. 1.

And the proportion of the Defense Department budget for procurement and research that is classified has doubled to 20 percent, according to a former undersecretary of defense, Richard D. DeLauer.

The growth of black programs is part of an even broader trend toward greater secrecy at the Pentagon, which has restricted access to certain key budget documents that previously were open to the public, limited the exchange of academic knowledge in U.S. colleges and universities and curtailed exports of commercial products on national-security grounds.

The Pentagon contends that greater secrecy is necessary to maintain U.S. leadership in weapons that rely on advanced technologies in electronics, optics and materials.

With such weapons becoming the norm rather than the exception, the nation is producing ever more major systems in secret. Among them are an intercontinental nuclear bomber, a tactical jet fighter, a variety of spacecraft and space weapons, cruise missiles, computers, radar systems and even some tactical missiles.

But the turn toward greater secrecy at the Pentagon, critics say, has important implications for a democracy that depends on public oversight. The Pentagon is seeking to avoid scrutiny, they contend, blocking the public's access to information on programs that probably are no secret to Soviet intelligence.

Of direct impact to taxpayers, critics add, black programs are significantly more costly because of staggering security costs and limited business competition.

Concern over such programs has not been limited to traditional Pentagon critics. They include usually staunch defenders of the Pentagon and individuals responsible for major contributions to the nation's weapons technology.

"I believe we have classified too much," said Edward Teller, the scientist who played a key role in developing the hydrogen bomb and who is a leading advocate of President Reagan's "Star Wars" plan. "Secrecy is a measure that hurts our opponents a little and us a great deal."

Scientists and academics argue that economic and technological development in capitalist economies has always depended on the flow of information and the exchange of scientific knowledge.

"It is open communication that tests ideas and exposes the bad ones," said Robert Rosenzweig, presi-

dent of the Association of American Universities, which has fought Pentagon efforts to restrict the exchange of even unclassified information. "It is not the case that we are smarter than the Russians. Our advantage is in the way we are organized and in our system."

High-technology weapons developed under extraordinary secrecy are also among the most expensive, according to sources who are either involved in the work or who have studied it closely from the outside.

Lockheed Missiles and Space Co. in Sunnyvale, Calif., for example, is believed to be building a massive photo reconnaissance satellite called the KH12 at a cost of \$1 billion, which would make it the most expensive satellite ever, according to John Pike, an analyst for the American Federation of Scientists in Washington.

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Although an exhaustive analysis of such programs is impossible because of their secrecy, reliable and respected figures in the defense industry say the Pentagon's black programs are far more expensive to operate than more open, or "white," programs.

The B-1 bomber, which is being produced openly by Rockwell International Corp., would cost twice as much as the current \$200 million per aircraft if it had to be produced in secrecy, according to Sam Iacobellis, president of Rockwell International Corp.'s North American Aircraft Operations.

There are staggering costs for site security, personnel security clearances and loss of efficiency because of "compartmentalization," a standard policy in black programs that permits only a few top managers to know all the details about a product, or even what the product is.

Secret military business is never conducted in ordinary buildings. Black buildings have highly secure rooms, surrounded by walls up to one foot thick that seal in conversations and cannot be penetrated by sensors. These buildings usually are without windows; if a building has windows, they are made of special glass that is impervious to radio waves.

Scrambler telephones that transmit signals in code are needed to

discuss secrets. Even special sprinkler systems are needed, because standard metal sprinkler systems act as antennae that spies can use to tap into computer and communications systems.

"You see that mail box two blocks away?" asked one top executive at a defense firm, pointing through an unsecure window. "With the right equipment, I could sit out there and listen to every word we are saying and every word that is being typed into computers in this building."

Rich, president of Lockheed Advanced Aeronautics Co., said in a recent interview that he fires or transfers an average of 100 employees each year out of his secret programs as potential security risks. Drug abuse, excessive drinking and even family disputes are the reasons.

The military itself is compartmentalized and has different lines of authority for managing its white and black programs. The Air Force Space Division in nearby El Segundo, for instance, has two separate organizations, a white one that reports through normal military channels and a black one that has its own two-star general who reports directly to the assistant secretary of the Air Force, according to James Schultz, a former government employee at the division.

Some industry executives say black programs operate with less competition in the awarding of both prime contracts and subcontracts, thus tending to drive up costs. But industry executives are reluctant to publicly criticize the level of secrecy because of the Pentagon's sensitivity to any discussion about such programs. Some executives, however, are clearly opposed to current trends.

"Black programs are the military industrial complex at its worst," said a corporate officer of a major Los Angeles defense firm. "All the normal instincts in a democracy — competition and exchange of ideas — just vanish completely."

Such views may be gaining acceptance in Congress, which is increasingly concerned with the loss of public oversight in defense spending.

"As the Pentagon has been given freedom in the last decade to get into these highly classified programs, there has been abuse," said Anthony Battista, a staff member of the House Armed Services Committee who is one of the top congressional experts on the Pentagon. "They are throwing a lot of things under the national-security umbrella just to prevent a rigid congressional review and [to escape the need] to present budget numbers publicly."